

Fact Sheet from the Departments of the Treasury and Health and Human Services on Preparing for Tax Season

As tax filing season begins, the U.S. Department of Health and Human Services and the Treasury Department are once again putting in place resources to help tax filers understand how health care intersects with their taxes. Reporting information about health coverage is still a new process, but it is becoming a routine part of tax season. In order to help address questions individuals may have about their responsibilities, the Administration is highlighting available resources and tools to help make the process as easy as possible.

Mark Mazur, Treasury Assistant Secretary for Tax Policy, and Kevin Counihan, CEO of the Health Insurance Marketplace, released the following statements today providing an overview of the consumer support and assistance the Administration will provide:

Assistant Secretary for Tax Policy, Mark Mazur:

“While this is only the second year that taxpayers need to report information about their health coverage when filing their income tax returns, we expect that these requirements will soon become a routine part of tax time. The vast majority of Americans simply need to check a box on their tax return to indicate they had health coverage all year. Others who chose not to purchase health insurance may have to pay a fee, or can claim an exemption if they qualify. We are working to ensure that consumers can easily access clear information on what the requirements mean for them as they prepare to file their taxes.”

CEO of the Health Insurance Marketplace, Kevin Counihan:

“Because of the Health Insurance Marketplaces, millions of Americans have gotten the security that comes with having quality, affordable health insurance. With most of these consumers receiving tax credits to make their monthly premiums more affordable, it’s important that we do everything we can to arm these consumers with the information they need to better understand their responsibilities when it comes to filing their taxes. With less than two weeks before the final January 31 deadline for 2016 coverage, it’s also important that every uninsured American understands their options for finding affordable health coverage so they don’t risk paying a penalty of \$695 or more for not having coverage in 2016.”

Similar to last year, the vast majority of taxpayers just need to check a box to indicate they have coverage. While those who can afford to buy health insurance and choose not to may have to pay a fee, individuals who cannot afford coverage or meet other conditions can receive an exemption. Those with Marketplace coverage will receive a tax statement in the mail from the Marketplace called a Form 1095-A. Now that people know their final income for the year, they need to reconcile the difference between the amount of financial assistance they received during the year to help lower the cost of their premiums with the actual amount they should have received based on their 2015 earnings. Information included on their Form 1095-A will help them do this. Consumers who do not file a tax return to reconcile their financial assistance will not be eligible to receive financial help in future years.

This year, many consumers with coverage from a non-Marketplace source will receive a new form in the mail called a Form 1095-B or a Form 1095-C, describing the coverage they had for the year. This form will be sent by their employer, insurance company, or the government program that provides their coverage, such as Medicare or Medicaid. Consumers do not need to attach this information to their tax return or wait to receive the form before filling their tax return. If consumers do receive one of these forms, they should keep it in a safe place with their other tax records.

Tools are available for individuals who have questions about their tax filing responsibilities under the Affordable Care Act. General resources can be found at www.IRS.gov/Affordable-Care-Act or www.HealthCare.gov/taxes/. A sampling of some of resources available, include:

- **IRS:** [Affordable Care Act Provisions for Individuals and Families](#)
- **IRS:** [Questions and Answers about Health Care Information Forms for Individuals \(Forms 1095-A, 1095-B, and 1095-C\)](#)
- **HHS:** [2015 Taxes & Your Health Insurance](#)
- **HHS:** [Getting Ready for Tax Season](#)
- **The Marketplace call center can be reached at 1-800-318-2596.**

Most people use software to file their taxes, which is the easiest way to complete a tax return, as it guides taxpayers through the process and does all of the math. [Resources are available to help file taxes](#), including free tax filing services for individuals who meet certain income requirements:

- [Free In-Person Volunteer Assistance through the Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) programs.](#)
- [Free Software Returns through IRS Free File for taxpayers with incomes below \\$60,000.](#)
- [Commercial software.](#)
- [Professional assistance.](#)

There are also tools available through HealthCare.gov that help consumers understand if they qualify for an exemption and if they had coverage, how much in tax credits they may qualify for based on their income.

- **Exemption Tool:** An [online tool](#) is available on HealthCare.gov to help consumers who did not have insurance last year understand if they might qualify for an exemption.
- **Premium Tax Credit Tool:** Use a tool to get information you may need [to determine your 2015 premium tax credit.](#)

To reach consumers with the information they need to prepare for this tax season, the Administration will employ a variety outreach strategies. Outreach and consumer education efforts will include:

- **Direct outreach to Marketplace consumers.** Through email, phone, and text messages the Administration will reach out to those who got coverage through the Health Insurance Marketplace with personalized information that is most relevant to their tax status. We will provide targeted messaging to consumers who benefited from advance premium tax credits to make sure they understand their responsibility to file their taxes and reconcile their tax credits.
- **Community-based outreach and in-person assistance.** Working with community organizations on the ground, nonprofit organizations, Marketplace navigators and other in-person assisters, we will provide guidance and resources to consumers looking for answers.

Partnerships with top tax preparers. The Administration will continue to work with top tax preparers to provide consumers with the information they need to prepare for tax season.